

30 September 2026

Commissioners

Productivity Commission

Online lodgement via Productivity Commission website:

<https://consult.treasury.gov.au/c2026-778607/consultation>

Dear Commissioners

Productivity Commission Paper: *Business reporting requirements*

The Institute of Public Accountants (IPA) welcomes the opportunity to respond to the Productivity Commission's call for submissions to the *Business reporting requirements* paper (the Paper). Reporting can strengthen transparency, accountability and decision-making. However, poorly coordinated obligations divert scarce time, capital and professional capability away from productive activity.

The IPA is one of Australia's three professional accounting bodies and represents more than 50,000 members and students in Australia and internationally. Approximately three-quarters of IPA members work in or advise small businesses and small to medium enterprises (SMEs). This submission therefore focuses on practical implementation, cumulative burden and the indirect effects of large-entity obligations on smaller businesses and their advisers.

General comments

The IPA supports the Commission's focus on payment times reporting, sustainability and environmental reporting, workplace gender equality reporting and interactions between regimes. Reform should preserve demonstrably useful information while removing duplication, inconsistent definitions and low-value process.

- Adopt a whole-of-government "Think Small First" and risk-based approach.
- Build a genuine "tell us once" architecture using common definitions, interoperable data standards and secure data-sharing.
- Require cumulative burden analysis, not only assessment of each proposal in isolation.
- Rationalise payment times reporting after testing whether six-monthly publication changes behaviour.
- Coordinate sustainability, emissions and pollution reporting, with scalable requirements and proportionate assurance.
- Review any changes to the reporting threshold, such as the doubling of the large proprietary company's financial report or sustainability report, which must provide a clear basis and compelling reasons for the change that are accompanied by research identifying the impact of the proposed changes on the relevant stakeholders, including the preparers, assurers, users, regulators and the accounting profession.
- Do not extend WGEA reporting below 100 employees without clear evidence of net benefit and a workable administrative-data solution.
- Create a standing reporting-reform mechanism with sunset and post-implementation review disciplines.

Member evidence reinforces the need for reform. The 2026 IPA Group Member Engagement Survey found that 53.1% of respondents identified legislative and regulatory change as a challenge facing their organisation. When asked about the accounting profession's biggest strategic challenge, 38% selected regulatory challenges, more than double any other single challenge.

Specific comment

Further details on our comments above and our responses to the specific matters in the Paper are contained in Attachment 1.

If you would like to discuss our comments or require additional information, please contact me at

Yours sincerely

[signed V Stylianou]

Vicki Stylianou

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ATTACHMENT 1 IPA's response to the specific matters in the Paper

1. A better framework for non-financial reporting

The cost of reporting extends well beyond submitting a form. Businesses must interpret obligations, allocate responsibility, create controls, modify software, collect and validate data, obtain advice or assurance, secure approvals and respond to regulator queries. These costs multiply when definitions, entity boundaries, reporting periods and assurance expectations differ.

For IPA members in a small practice, the burden is operational. A principal accountant may need to interpret a new requirement, redesign client data collection, update engagement processes and explain the change across a diverse client base, without a dedicated legal, sustainability, data or compliance team. A small supplier may also be outside a statutory threshold but face repeated requests from customers, financiers, insurers or tendering bodies.

RECOMMENDATION Embed “Think Small First” in the design, administration and review of every non-financial reporting regime. Test higher thresholds, simpler data, less frequent reporting, sampling, administrative data and targeted supervision.

Cumulative impact analysis

Impact analysis should map the total reporting environment faced by an affected business, including overlapping fields, simultaneous commencement dates, system changes, assurance demands and board approvals. It should distinguish fixed from variable costs because a system build or adviser fee is inherently more burdensome when spread across a smaller revenue base.

The Australian Government's Regulatory Burden Measurement Framework recognises administrative costs, substantive compliance costs and delay costs. It includes record-keeping and reporting time, training, systems and equipment, and professional accounting, tax and legal advice. This full framework should be applied to individual regimes and their combined effect.

RECOMMENDATION Require every material reporting proposal to include a cumulative reporting map and a genuine small-business impact statement verified through consultation with SMEs and small and medium practices.

“Tell us once” and common standards

A genuine “tell us once” approach requires governance and standardisation, not merely a new portal. Each data field should have a defined owner, purpose, legal basis, taxonomy, reporting period and quality standard. Agencies should reuse verified information where lawful rather than require businesses to re-key or reformat it. Standard Business Reporting and Single Touch Payroll show the value of designing data around reusable digital definitions and established business systems.

RECOMMENDATION Establish a cross-agency non-financial reporting data dictionary and interoperability roadmap. Do not create a new data field until the sponsoring agency has checked whether equivalent information already exists.

Transition must be managed through stable specifications, pilots with businesses of different sizes, adequate lead time, privacy and cyber safeguards, audit trails and correction rights.

2. Priority reporting regimes

Payment times reporting

Payment transparency can support better treatment of small suppliers. The scheme should nevertheless be judged by whether users rely on the information and whether it improves payment behaviour. The 2023 independent statutory review found that the scheme had merit but that some requirements imposed unnecessary burdens, compromised regulatory effectiveness and limited data accuracy and accessibility. It made 14 recommendations comprising 23 actions. Treasury's 2023–24 annual reporting stated that payment times had not improved since the scheme began in January 2021.

The Commission should test the value of six-monthly reporting against annual reporting and examine consolidated group reporting, automated small-business identification and reuse of business identifiers. It should also test whether better headline terms are offset by lower prices, fees or contractual risk transfer.

RECOMMENDATION Move towards annual reporting unless evidence demonstrates that six-monthly reporting delivers materially superior outcomes. Prioritise system integration and automated classification.

Sustainability and environmental reporting

The IPA supports credible sustainability reporting and has consistently advocated requirements proportionate to entity size and complexity. Sustainability, emissions and pollution regimes should align concepts, boundaries, timing, methods and assurance expectations wherever their policy purposes permit.

The IPA's 2026 Sustainability Reporting Survey provides direct member evidence. Among 28 practitioner respondents, 81% were aware of supply-chain reporting rules, yet 81% felt not at all prepared to provide the required data. Seventy-four per cent said their small-business clients would not be confident at all in providing sustainability information if requested. Fifty per cent reported that the small-business clients they represented already supplied goods or services to large businesses. Respondents sought practical guidance and CPD, particularly on how to measure and record emissions, and raised concerns about administrative and financial burdens on small and medium practices.

These results should be treated as targeted practitioner evidence rather than a population estimate. Even so, they identify a material readiness and capability gap precisely where large-entity Scope 3 requests may flow through supply chains.

Review of the financial reporting and sustainability reporting threshold

Reforms announced in the Budget 2026-27 include doubling the thresholds for large proprietary companies from \$50 million to \$100 million of consolidated revenue and \$25 million to \$50 million of consolidated gross assets (the "size threshold"). Entities that cease to meet the revised size threshold would no longer need to lodge an annual audited financial report, directors' report or sustainability report. The IPA appreciates the Government's initiative to reduce the compliance burden for smaller entities and therefore supports the review of the size threshold. This is given the last review of the size threshold was applicable in 2019. However, we have concerns regarding the basis and timing of the review. This is particularly the case for Group 3 entities, which are scheduled to begin mandatory sustainability reporting from 1 July 2027. Group 3 entities are the group that requires the most assistance in preparing their first mandatory sustainability report. This is because Group 3 entities,

unlike the larger entities (ie Groups 1 and 2 entities), are currently not involved in preparing sustainability reports and would need to implement the disclosure requirements from a zero base. Group 3 entities are also the group that has the least resources (both technical and financial) to do so. They are therefore likely to require more lead time to put in place the necessary systems, processes and procedures for compliance. The IPA is of the view that the timing of the proposed review creates uncertainties that add to the challenges for these smaller entities. We therefore think that any review that results in changes to the reporting threshold needs to be finalised as a matter of urgency.

From the proposed doubling reporting threshold perspective, the IPA seeks to understand the rationale for how the proposed \$100 million of consolidated revenue and \$50 million of consolidated gross assets were derived and the reason for applying them both to financial reports and sustainability reports. Coordinate sustainability, emissions and pollution reporting, with scalable requirements and proportionate assurance. The review and changes to the reporting threshold, such as the doubling of the size threshold must have a clear basis and compelling reasons for the change, that are accompanied by research identifying the impact of the proposed changes on the relevant stakeholders, including the preparers, assurers, users, regulators and the accounting profession.

While the IPA would prefer the same threshold for financial report and sustainability report, the reporting framework for financial reporting is more developed and mature compared with the sustainability reporting framework, which is still in the early stage. That is, for financial reporting, entities that meet the reporting threshold would prepare Tier 1 full general purpose financial statements (GPFS). The entities that do not meet the reporting threshold may still need to prepare financial reports under other tiering requirements, such as Tier 2 simplified GPFS and Tier 3 simpler GPFS. The financial reporting framework provides a regime for financial reporting transparency and accountability for entities that do not meet the size threshold. In contrast, the sustainability reporting framework is still at an early stage and not as mature as those for financial reporting. Essentially, the current financial reporting framework is that an entity either meets the size threshold and is therefore subject to the mandatory sustainability reporting requirements or disclose the information on a voluntary or not at all basis.

RECOMMENDATION Create a standard, proportionate SME sustainability data request. Permit recognised industry averages and estimates where primary data would impose undue cost or effort, with transparent disclosure of methodology.

RECOMMENDATION Progress assurance only when data quality, workforce capability and audit capacity support it. Coordinate this inquiry with Treasury's climate-reporting review.

RECOMMENDATION The review and changes to the financial report and sustainable report threshold must have a clear basis and reasons for change, that are accompanied by research identifying the impact of the proposed changes on the relevant stakeholders. The review with any resulting changes needs to be finalised as a matter of urgency.

3. Workplace gender equality, other reporting and interactions

Workplace gender equality reporting

The IPA supports workplace gender equality and reliable information that helps identify gaps and evaluate progress. Efficiency should be assessed separately from the policy objective. The 2021 WGEA Review identified burden where employers extract data from multiple payroll and HR systems and manually join, interpret and check disparate datasets. It recommended reuse of data already provided to government, including Single Touch Payroll data, and digital extraction solutions.

For organisations with 100 to 500 employees, fixed compliance and specialist capability costs can be significant. Pre-population should be paired with aligned definitions, privacy protections, data-quality controls and correction mechanisms. Employers should not bear the cost of reconciling government datasets simply because systems use different classifications.

RECOMMENDATION Do not extend mandatory WGEA reporting below 100 employees unless robust cost-benefit analysis demonstrates net benefit, administrative data materially reduces manual reporting and a staged pilot confirms workability for smaller employers.

Other areas for attention

Businesses face recurring and event-driven obligations concerning employment, work health and safety, privacy and data breaches, critical infrastructure, consumer incidents, licensing, grants and procurement. State and territory variation adds cost for businesses operating across borders. Mapping should identify where one event triggers multiple notifications, where similar information is requested under different definitions, and where group boundaries, attestations and retention periods conflict.

RECOMMENDATION Develop a public register of material Commonwealth non-financial reporting obligations showing the agency, legal basis, threshold, frequency, fields, entity boundary, assurance or attestation requirement and review date. Extend it with states and territories over time.

Regulatory accountability

Agencies should publish what they collect, how it is used, who accesses it, how long it is retained and what outcome it supports. Data rarely accessed or unconnected to a regulatory outcome should be reviewed. Success should be measured in reduced business effort and duplicate fields, not simply forms digitised.

RECOMMENDATION Introduce periodic data-utility reviews, sunset provisions for low-value collections and public reporting of reporting-burden indicators.

The Office of Impact Analysis should be adequately resourced to challenge proposals that externalise costs to small business or rely on untested assumptions about technology, adviser availability or data quality.

4. Implementation and next steps

A practical reform program

- Phase 1, quick wins: remove duplicate fields, align dates, publish standard definitions and stop collecting information that is not demonstrably used.
- Phase 2, pilot reuse: test pre-population and secure sharing with large entities, SMEs and advisers.
- Phase 3, standardise: implement common taxonomies, identifiers and APIs with clear privacy, security, audit-trail and correction arrangements.
- Phase 4, govern: establish cross-agency oversight, public burden metrics and scheduled post-implementation reviews.

Accountants and business advisers should be involved early. They see obligations across multiple clients, systems and regulators and can identify where apparently minor inconsistencies create disproportionate cost. Consultation must include businesses without dedicated compliance teams and users of mainstream accounting and payroll software.

Evidence and worked examples

Many SMEs do not separately record regulatory costs. The Commission should publish a concise evidence template covering staff hours, adviser fees, software changes, assurance costs, governance time, frequency, duplicate data, delays and foregone productive activity. This would support comparable case studies without creating another complex reporting exercise.

RECOMMENDATION Invite professional bodies, software providers, regulators and businesses to supply de-identified worked examples covering direct statutory reporting and indirect supply-chain requests.

Conclusion

Non-financial reporting should be retained where it produces information of clear public, regulatory or market value. The reform task is not to choose between transparency and productivity. It is to achieve the objective with the least necessary burden, recognise differences in size and risk, and reuse information already held.

The IPA urges the Commission to recommend a “Think Small First”, risk-based and whole-of-government framework; a genuine “tell us once” data architecture; proportionate sustainability and assurance requirements; careful testing before any expansion of WGEA reporting; and continuing accountability for the utility and cumulative cost of data collections.

We would welcome the opportunity to participate in further consultation and assist the Commission to gather practical evidence from IPA members and their SME clients.

Evidence and source base

IPA member evidence: 2026 IPA Group Member Engagement Survey; IPA Sustainability Reporting Survey Analysis (28 practitioners, 2026). IPA policy sources: Pre-Budget Submissions 2025–26 and 2026–27; submissions on Harnessing data and digital technology and creating a more dynamic and resilient economy; climate-reporting and SME sustainability materials.

External sources: Productivity Commission call for submissions (September 2026); Statutory Review of the Payment Times Reporting Act 2020 (2023); Treasury Annual Report 2023–24; WGEA Review (2021); Office of Impact Analysis Regulatory Burden Measurement Framework (July 2026).

Appendix A: Detailed evidence and IPA member experience

A1. Regulation is a leading concern for IPA members

The 2026 IPA Group Member Engagement Survey provides a broader indication of the operating environment faced by members. Legislative and regulatory change was the most commonly identified challenge facing respondents' organisations, selected by 53.1 per cent. Regulatory challenges were also selected by 38 per cent of respondents as the biggest strategic challenge facing the accounting profession overall, more than double any other single challenge. These findings support the IPA's longstanding position that regulatory burden is not a peripheral concern. It directly affects how members operate their practices, support clients, allocate staff and manage risk.

The evidence is consistent with previous IPA submissions calling for risk-based regulation, an EU-style "Think Small First" approach, adequately resourced impact analysis, periodic review of regulators and greater use of regulatory technology. The Productivity Commission should treat the effect on advisers as part of the business burden. When a reporting obligation is complex, businesses frequently transfer interpretation, data preparation and assurance work to accountants. The compliance cost therefore remains a cost to business even when it appears as a professional fee rather than internal staff time.

RECOMMENDATION Recognise adviser time and professional fees as part of the full cost of business reporting, and specifically test impacts on small and medium accounting practices during policy design and post-implementation review.

A2. Sustainability reporting readiness and supply-chain effects

The IPA Sustainability Reporting Survey Analysis records responses from 28 practitioners. Eighty-one per cent were aware of supply-chain reporting rules, but 81 per cent said they were not at all prepared to provide the necessary data. Seventy-four per cent reported that their small-business clients would not be confident at all in providing sustainability information if requested. Half reported that the small-business clients they represented were already providing goods or services to large businesses, placing those clients in the path of supply-chain data requests.

The results also indicate that most practitioners reported only minimal understanding of relevant sustainability and assurance standards. Respondents identified guidance material and continuing professional development as the most effective forms of IPA support. Qualitative feedback sought practical instruction on how to measure and record emissions and raised concerns about administrative and financial burdens on small and medium practices.

The IPA recognises the limitations of this evidence. The survey was a targeted practitioner exercise with 28 respondents and should not be represented as a statistically weighted estimate of the entire profession. Its value lies in identifying practical points of friction: low readiness, limited technical capability, client uncertainty and exposure through larger customers. These matters warrant broader testing by the Commission.

RECOMMENDATION Use the IPA survey as a basis for further evidence gathering from SMEs, practitioners and software providers, including the number, frequency and format of supply-chain requests and the staff and adviser time required to answer them.

A3. Worked member examples for Commission testing

The following composite examples are illustrative scenarios based on themes in IPA member evidence and previous IPA advocacy. They are not presented as accounts from identifiable individual members and should be validated through the Commission's consultation process.

- Small practice adviser: a principal in a small accounting practice must learn a new reporting regime, determine which clients are directly or indirectly affected, update data requests, explain obligations and review outputs. The same fixed learning cost is spread across a much smaller team than in a large firm.
- SME supplier: a business outside mandatory climate-reporting thresholds receives similar emissions and sustainability questions from several large customers, each using different templates, boundaries and deadlines. The business pays its accountant to interpret and reconcile the requests even though it has no direct statutory reporting obligation.
- Mid-sized employer: workforce information is stored across payroll and human-resources systems using classifications that do not map neatly to the reporting portal. Staff manually extract, join, check and reconcile the information before management approval.
- Multi-jurisdiction business: a business operating in several states must monitor similar licensing, labour, safety or event-notification obligations with different definitions, responsible entities and reporting periods. The burden arises from inconsistency as much as from the information itself.

RECOMMENDATION Invite de-identified worked examples using a common template so the Commission can distinguish statutory burden, indirect commercial burden, system costs, professional fees and opportunity costs.

Appendix B: Detailed response to the Commission’s information requests

Information request 1: Payment times reporting

Main costs include extracting and cleaning accounts-payable data, identifying small-business suppliers, reconciling group information, validating results, obtaining executive approval and responding to queries. The 2023 statutory review provides independent evidence that some requirements imposed unnecessary regulatory burden and limited accuracy and accessibility. Treasury’s 2023–24 annual reporting also stated that payment times had not improved since commencement in January 2021.

Cost reductions should focus on automated supplier identification, reuse of government-held identifiers, consolidated group reporting and alignment with established accounting systems. Annual reporting should be preferred unless six-monthly reporting is shown to produce material additional behavioural or decision-useful benefits. Evaluation should consider actual commercial outcomes, including whether payment improvements are offset by price reductions, fees or risk transfer.

Information request 2: Sustainability and environmental reporting

The main costs include initial gap analysis, governance and controls, system changes, data collection, estimation, specialist advice, staff training and assurance. Overlap can arise where climate, emissions and pollution regimes use different boundaries, definitions, periods or methods. Indirect costs arise when large entities request Scope 3 or other information from SME suppliers.

Reform should align definitions and digital taxonomies where policy purposes permit, establish a standard SME sustainability data request and allow credible industry averages or estimation methods where primary data would impose undue cost or effort. Assurance should progress only as data quality, workforce capability and audit capacity mature. The utility of information should be tested with investors, lenders, regulators and supply-chain users rather than assumed.

The review and changes to the reporting threshold, such as the doubling of the large proprietary company’s financial report or sustainability report must have a clear basis and compelling reasons for the change that are accompanied by research identifying the impact of the proposed changes on the relevant stakeholders, including the preparers, assurers, users, regulators and the accounting profession. The review that results in changes to the reporting threshold needs to be finalised as a matter of urgency.

Information request 3: Workplace gender equality reporting

Costs include extracting information from multiple payroll and HR systems, mapping classifications, checking data, management review and responding to corrections. The 2021 WGEA Review expressly identified manual work in joining, interpreting and checking disparate systems and recommended greater reuse of data already provided to government, including Single Touch Payroll data, together with digital extraction solutions.

The current threshold should not be lowered without a demonstrated net benefit, substantial automation and a staged pilot with smaller employers. Any pre-population model must include aligned definitions, privacy safeguards, data-quality assurance and correction rights. The effectiveness of reporting should be assessed by evidence of improved awareness, policies and workplace outcomes, not compliance rates alone.

Information request 4: Other non-financial reporting

Further attention should be given to recurring and event-driven obligations across employment, work health and safety, privacy and data breaches, critical infrastructure, consumer incidents, licensing, grants and procurement, including state and territory variation. Priority should be given to clusters where the same event triggers multiple notifications or where similar data is requested using different definitions.

Information requests 5 and 6: Interactions and remedies

The most burdensome interactions are duplicate or near-duplicate fields, inconsistent definitions and thresholds, different group boundaries, misaligned periods, repeated attestations and simultaneous system changes. Remedies include a public obligations register, common data dictionary, interoperable standards, secure data-sharing, stable technical specifications and a central process to challenge new duplicate collections.

Legal, privacy, technology, data-quality and institutional-accountability barriers to sharing should be identified explicitly rather than treated as a general reason to retain duplication. Where sharing is not lawful or appropriate, government should consider aligned definitions, pre-population with consent, or standard export formats that reduce re-keying.

RECOMMENDATION Recommend a permanent cross-agency reporting simplification function with authority to maintain the obligations map, approve common definitions, monitor burden indicators and publish progress on eliminating duplication.

Appendix C: Proposed evaluation and implementation framework

C1. Tests for retaining or redesigning a reporting requirement

- Purpose: Is the policy objective and intended user of the information explicit?
- Use: Is there evidence that the information is accessed and affects regulatory, investment, employment, consumer or commercial decisions?
- Proportionality: Are thresholds, frequency, fields and assurance calibrated to risk, size and complexity?
- Duplication: Is equivalent or sufficiently similar information already held by government or supplied under another regime?
- Interoperability: Can information be generated from established business systems using common definitions and formats?
- Indirect burden: Does the requirement create supply-chain or adviser costs outside the formal reporting population?
- Transition: Are specifications stable, lead times adequate and legacy investments recognised?
- Review: Is there a post-implementation review date, a burden baseline and a mechanism to retire low-value data?

C2. Suggested evidence template

The Commission could invite businesses and advisers to provide the following information in a short, optional template:

- Entity size, sector and whether the obligation is direct or supply-chain driven.
- One-off implementation hours and external adviser or software costs.
- Recurring staff hours by collection, validation, approval, lodgement and follow-up.
- Number of systems and data sources used.
- Number of duplicate or near-duplicate fields supplied elsewhere.
- Assurance, attestation and governance costs.
- Delays, abandoned activities or other opportunity costs.
- How the reported information is used and what outcome it has supported.

C3. Measures of reform success

Success should be measured through outcomes meaningful to business and users. Suggested indicators include reductions in duplicate data fields, manual re-keying, reporting hours, adviser costs and system changes; increases in pre-populated or reused data; improved data quality and timeliness; and demonstrated use of reported information. Indicators should be disaggregated by entity size where possible so aggregate savings do not conceal increased burden on SMEs.

C4. Source notes

IPA member evidence: 2026 IPA Group Member Engagement Survey; IPA Sustainability Reporting Survey Analysis, based on 28 practitioner responses. IPA policy base: IPA Pre-Budget Submissions 2025–26 and 2026–27; submissions to the Productivity Commission on Harnessing data and digital technology and creating a more dynamic and resilient economy; IPA climate-reporting positions and SME sustainability research priorities. External evidence: Productivity Commission, Business reporting requirements call for submissions, September 2026; Statutory Review of the Payment Times Reporting Act 2020, 2023; Treasury Annual Report 2023–24; WGEA Review Report, 2021; Office of Impact Analysis, Regulatory Burden Measurement Framework, July 2026.

These sources should be checked against the final lodgement version and converted to the IPA's preferred citation style, with hyperlinks or footnotes added where required.